

# AMERICANS HAVE \$1,000,000,000 INVESTED IN MEXICO, THE WORLD'S TREASURY

Persons in All States of the Union Are Interested in Development of Immense Natural Wealth of the Republic South of the Rio Grande—Epidemic of Revolution Put a Stop to Practically All Industry and Country Faces Bankruptcy



It is reported officially that American investments in Mexico aggregate \$1,057,770,000. More than 50,000 persons in the United States are shareholders in these enterprises. As against the American investments the English have interests aggregating \$321,202,000, the French \$143,416,000 and other foreign countries \$118,335,350.

In many industries, particularly railroads, mines, smelters, timber, factories, oil, rubber and insurance, the American capital employed in Mexico far exceeds that of the Mexicans.

No section of the United States has a monopoly of the investments in Mexican undertakings. New York naturally has the largest share, but Pittsburgh has a considerable interest. So have St. Louis, Kansas City, Boston, Columbus, Ohio; Cincinnati, Duluth, Denver, San Antonio, San Francisco, Los Angeles and many other cities. The enterprises of Americans cover the whole of the republic south of the Rio Grande. They are scattered over Chihuahua, Sonora, Sinaloa, Durango, Coahuila, Nuevo Leon, Tamaulipas, Zacatecas, San Luis Potosi, Guanajuato, Queretaro, Jalisco, Michoacan, Hidalgo, Vera Cruz, Guerrero, Oaxaca, Puebla, Aguascalientes and the State of Mexico. In railroads alone the investments total \$444,000,000. In mines and mining accessories they exceed \$258,000,000; in oil and rubber, \$30,000,000; in timber, \$5,100,000; in factories of various sorts, \$10,000,000; in general stores, \$4,800,000, and in ranches and cattle, \$11,350,000.

Some day, when there is peace and good will throughout the land, there will be a tremendous development in Mexico. Its mineral wealth has been one of its curses. The country has been called the treasure house of the world. It has produced one-third of the silver now in use. From one small district the mines have yielded \$1,000,000,000 since the days of Cortes, and this by the use of crude methods of mining. In the first ten years of the present century the gold and silver production of the republic approximated \$600,000,000. Almost as rich as the deposits of gold are the beds of copper, but richer than gold and silver and copper combined is the agricultural wealth of the nation, and this agricultural wealth is practically undeveloped.

Of mines Mexico had at the time of the last report \$1,938 on which taxes were being paid. There is hardly a mineral known that is not listed among the products.

Among the American concerns the American Smelting and Refining Company and Phelps, Dodge & Co. stand at the head. To the Guggenheims, who control the American Smelting and Refining Company, credit is given for introducing modern smelting into Mexico. They have plants in various parts of the republic. One at Monterrey is spread over 300 acres, has ten furnaces and a capacity of 400,000 tons a year. In addition the Guggenheims operate ten mines, five in the Sierra Mojada district in Chihuahua, four in the Santa Eulalia belt in the same State and one at Asientos. How much the American Smelting and Refining Company's interests represent is difficult to ascertain. The Guggenheims never give out information, and the estimates of outsiders, which range from \$20,000,000 to \$55,000,000, are merely guesses.

The Mochituma Copper Company, of which James Douglas is president and of which Phelps, Dodge & Co. have control, is one of the biggest properties in Mexico. It embraces thirty-eight mining claims in Sonora, is spread over miles of territory and when in full working order employs thousands of men. The story of this company serves to illustrate on how big a scale the Americans work. When Phelps, Dodge & Co. bought the Pinaras mine in 1897 the nearest railroad was ninety miles away. The Mochituma company, which was organized to operate the mine, first invested a lot of money in mules so that it could haul equipment for a smelter. Then the Nacozari Railroad was built. A concentrator was put up at the town of Nacozari at a cost of \$1,000,000. Then the old town was practically rebuilt by the company. Now in addition to the concentrator there is an electric plant of 65,000 horsepower.

Nacozari to-day is one of the model towns of Mexico. In place of the old adobe structures and the refuse and disorder that formerly characterized it excellent modern dwellings, with all the conveniences of civilization, have been built for the employees. There are club rooms with libraries, shower baths, billiards and a ballroom. Near one of the other mines the company

has built another town. To connect the two a railroad was constructed. It handles approximately 500,000 tons of ore a year. The Mochituma turns out about 20,000 tons of pure copper a year. At 15 cents a pound that means a business of \$6,000,000 annually.

Cleveland H. Dodge, the dominant figure in the firm of Phelps, Dodge & Co., is less known to the public perhaps than any of the influential powers in the mining world. He is publicity shy and dodges photographers as he would the plague. His wealth is enormous. In addition to his Mochituma holdings he has large interests in the Copper Queen Consolidated Mining Company, a director in the New York Life Insurance Company, the National City Bank, the Farmers Loan and Trust Company, the Old Dominion Steamship Company and the El Paso and Southwestern Railroad and vice-president of the New York Chamber of Commerce. He is a little over 50 years old.

While the Guggenheims and the Phelps, Dodge mines and smelters are the biggest in Mexico, there are multitudes of others. The San Toy Mining Company, a Pittsburgh concern, of which Donald B. Gillies is president, owns the Juarez, La Central, La Fortuna, Independence and Bustillo mines in the Santa Eulalia district of Chihuahua. This company is capitalized at \$7,000,000.

The Guanajuato Reduction and Mines Company, an Ohio concern in which Cleveland, Dayton, Cincinnati and Columbus people have investments, owns many properties in the rich Guanajuato field. It is capitalized at \$7,500,000. C. L. Kurtz is president.

The Mexico Metallurgical Company, of which Robert S. Towne of New York is president, is a \$4,000,000 corporation. It owns or controls mining, transportation and land companies in the Sierra Mojada district and other sections of Mexico.

The Mines Company of America, of which W. B. Thompson is the head, owns a lot of properties, among them the Creston, the Colorado, the Dolores, El Rayo and La Dure Mill and Mining Company. It has a capitalization of \$9,000,000 and is expected to rival the Phelps, Dodge and Guggenheims in output within ten years.

The Rio Plata Mining Company, of which H. W. Miller of New York is president, has mines and timber land in the State of Chihuahua. So has the Pacific Smelting and Mining Company, of which Melbert B. Cary is president, and in which scores of residents of Los Angeles, San Francisco, Seattle, Portland and Sacramento are interested.

The Greene-Cananea Copper Company is a Duluth corporation. Thomas F. Cole is president. Its property in Cananea is immense. Probably no mining concern in Mexico has suffered more from the revolutionary troubles than this one. It is capitalized at \$60,000,000, but the capitalization of a mining company is generally larger than the amount actually invested.

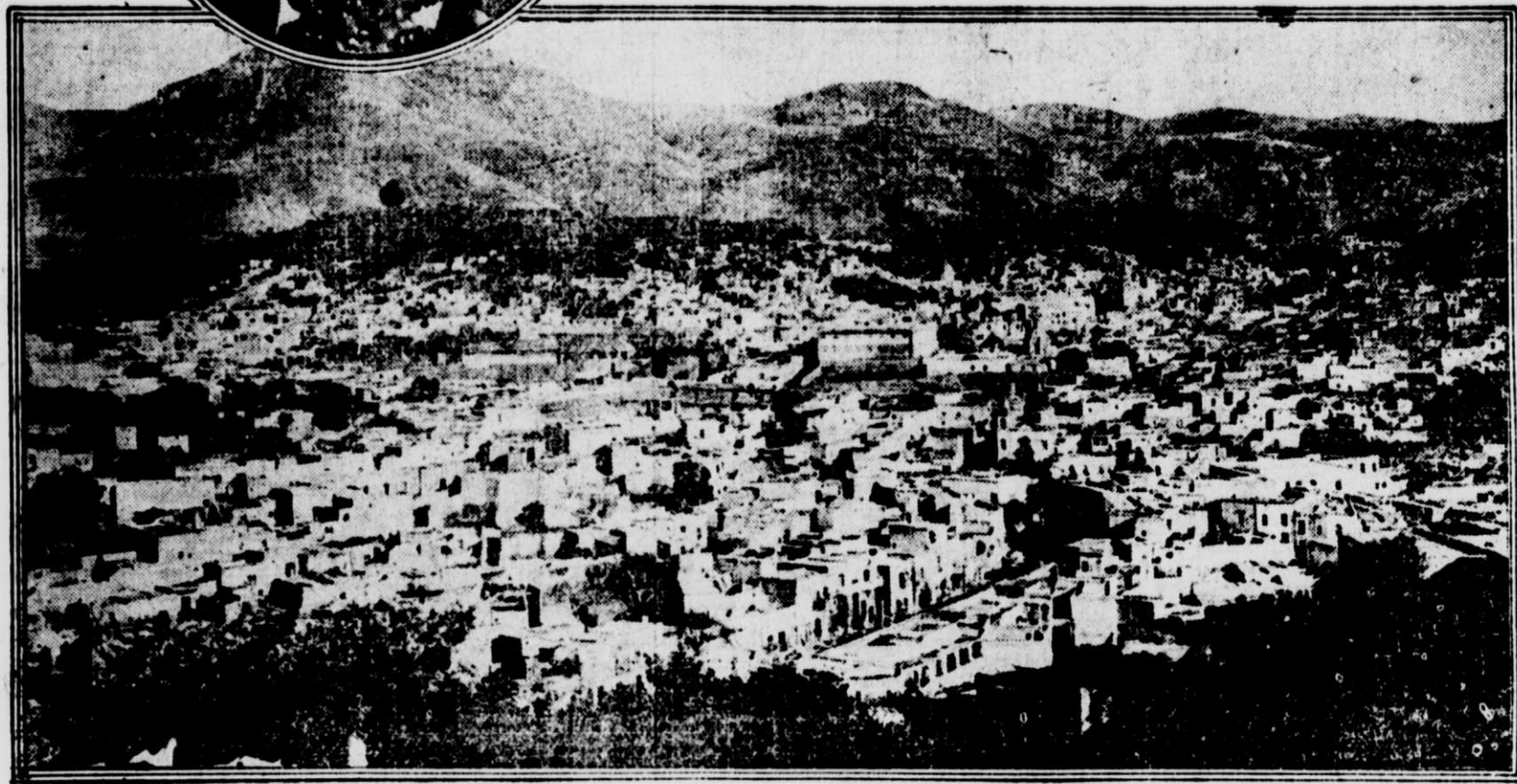
The Batopilas Mining Company, of which Samuel Elliott is president, has eight mines near Batopilas in the State of Chihuahua. It owns the town of Batopilas and 1,223 acres of mining land. It has \$5,175,000 capital. In addition to the Batopilas properties it has mines in Sonora.

Within the last few years several powerful American companies have acquired possession of the most important of the old mines in the Guanajuato district. These mines have been worked for 350 years. The dump heaps contain fortunes in mineral. By introducing modern machinery and modern methods the American companies not only are able to work over these dumps but also have reopened many mines that were supposed to be worked out. Two of the big companies operating in this section are the Guanajuato Amalgamated Gold Company, of which W. R. Roney of New York is president. It has six mines and \$3,000,000 capital. The Guanajuato Consolidated Mining and Milling Company has thirteen mines, which produce about 7,500 tons of ore a month. The capitalization is \$5,000,000.

Meyer Guggenheim and His Seven Sons



James Speyer



View of Guanajuato.

The Securities Corporation, Ltd., has a lot of properties at Guanajuato. So has the Guanajuato Development Company. All the power used in the American operations at Guanajuato is electric.

The Mazapil Copper Company has large mining interests near Saltillo, in the State of Coahuila, and the properties of the Predicta Mining Company at Guacaceri in Durango are very large.

In the southern part of Mexico hundreds of Americans have mines. In Oaxaca a syndicate made up of R. B. Dula, Western manager of the American Tobacco Company, at St. Louis; Paul Brown, another tobacco official; L. W. English, formerly in the tobacco manufacturing business in St. Louis; and Dr. Brown of Gatesville, Tex., has the famous Conejo Blanco or White Rabbit mine.

The Providencia mine is owned by A. I. Elsborg, E. A. Wilsey and C. A. Hamilton of San Francisco, and is in

Company and the American Drug Company. The largest general store in Mexico city is that of Mosler, Bowen & Cook, and the largest store in Guanajuato, in the State of Jalisco, is that of Juan H. Kipp. Mr. Kipp Latinized his name after being in Guanajuato a few years. Guanajuato is one of the most beautiful cities in the world.

Most of the hardware concerns of Mexico are in German hands. The banking is divided between British, German and French houses. Americans control the general supply trade.

Americans own nearly all the breweries and have plants in Mexico city, Toluca, Monterrey, Orizaba, Chihuahua, Cuernavaca, Guanajuato and other cities. They own two or three dozen soap factories in Mexico city. They have established also under the name of Jabonera de Mexico at Torreon the biggest soap factory in Mexico.

Most of the railroads of Mexico are in one system, which is under national control. Nearly all the bonds of this

charge of C. A. Hamilton, Jr., formerly of the University of California.

The San Carlos mine of the Oaxaca Consolidated Mining Company is owned by Illinois and Missouri Railroad officials. J. N. Bissell, formerly of the Atchison and St. Louis and Iron Mountain railroads, is resident director and manager.

The Zapoteca Mining Company, all the properties of which are in Oaxaca, is owned by people living in St. Louis, Peoria and Chicago. George T. Riddle of the Riddle, Rehbein Manufacturing Company of St. Louis is president and Judge Filbert of St. Louis, R. W. Morrison of the R. W. Morrison Construction Company and E. M. Hubbard of the Boatmen's Bank of St. Louis are among the directors. The company has thirty-three claims.

The Cuauhtemoc Mining Company, in the same district, is a Pittsburgh enterprise. James McKay of the Iron City Chain Works of Pittsburgh is president. This company has twenty-one mining claims in the Taviche, San Jose and San Martin camps and also owns the Carpintero and California King mines.

It would take pages to give a complete list of the mines of Mexico, but mines alone make up a fair portion of the undertakings.

The grocery and other interests are large. In Mexico city the American Grocery Company has an imposing business. So has the Loubens Grocery

national system are owned by Americans. Of the independent lines, one owned by the Southern Pacific Railroad represents an investment of \$50,000,000. The troubles of the last few years have left the railroads in a sorry state. Destruction of bridges, the ripping up of tracks and the prostration of business have been disastrous to all the companies. Bankruptcy has threatened the National Railways and the Southern Pacific extension has been a steady drain on the parent company. In the merging of the lines that now make up the National system and in much of the financing of the Mexican Government four New York banking houses, Speyer & Co., Ladenburg, Thalmann & Co., Kuhn, Loeb & Co. and Hallgarten & Co., have been the fiscal agents. Of these bankers James Speyer has taken the leading part. It was through him that the bulk of the shares held by American investors in the properties merged were exchanged for bonds.

This looked like a good thing for the Americans, but the bonds of the National Railways have been at a great discount since the revolutionary epidemic struck Mexico and it is feared it will be a long time before the holders get their money back. Reorganization, debt scaling and a readjustment that may involve dismemberment of the whole system are possibilities. In any

The Mexican Telephone and Telegraph Company is American owned. It has twenty-one exchanges and 1,023 stations.

The Mexican Tramways Company is a British American corporation. Dr. F. S. Pearson of New England is the head of the concern. It developed the electric street car system of Mexico city and that neighborhood and operates 171 miles of road. It is capitalized at \$20,000,000. Another Pearson property is the Mexican Light and Power Company, capital \$25,000,000. Its hydroelectric plant at Nexaca is a wonder. It supplies light and power to Mexico city and eight other towns and cities in the Federal District.

The Guanajuato Power and Electric Company, a \$5,000,000 corporation chartered in Colorado, furnishes light and power to the city of Guanajuato and the neighboring mining section. Henry Hine is president.

The largest oil interests in Mexico are owned by British investors, but the Mexican Petroleum Company, a Los Angeles, Cal., enterprise, has developed an important field at Iphano, thirty-four miles west of Tampico, which is expected to revolutionize the fuel situation in the republic. The present production is more than 6,000 barrels a day. Most of this is used by the National Railways in their locomotives on the San Luis and Central divisions. Edward L. Doherty is president of this \$25,000,000 corporation. In addition to all the company has large holdings in land and cattle.

There are some furniture factories owned by Americans and a few score sawmills.

Of iron foundries there are many, but most of them are small and their activities are largely devoted to the making of small agricultural implements. The Monterey Iron and Steel Company, at Monterey, is perhaps the largest in Mexico. It has blast furnaces capable of producing thirty tons a day, three thirty-five ton open hearth steel furnaces and a small Bessemer converter. An important group of iron properties is that controlled by Richard Honey, who for thirty-five years has operated blast furnaces in Mexico, principally in the Hidalgo section.

The International Rubber Company has immense holdings in Mexico. It owns 2,000,000 acres of land and controls 2,000,000 more, on a large part of which guayule is planted. From this guayule crude rubber is made. The company's plant at Torreon is a monster affair, covering probably fifty acres and employing thousands of men. The company has \$30,000,000 capitalization. W. C. Potter of New York is president and former United States Senator Aldrich is a large stockholder.

Americans have done more than the Mexicans to develop Mexico in an agricultural way. In a large part of the republic the natives still cling to prehistoric methods. They till the soil with a wooden plough drawn by an ox and do little more than scrape the earth's surface. They have not realized the possibilities of their country or are not particularly interested. In tropical and sub-tropical Mexico the growth of anything planted is riotous. All that is necessary preliminary to planting is to clear the land. In the tableland of the temperate zone the rainfall is plentiful, but it is necessary to conserve the water supply. With irrigation crops are a certainty.

The fruit business is destined to be an important one, for all along the Gulf coast citrus fruits and bananas can be raised without much difficulty. Hundreds of companies have been organized in the United States to develop Mexican lands. Kansas City, Denver, Los Angeles, San Antonio, Pittsburgh, Dallas, St. Louis, Chicago and Cincinnati have dozens of these concerns. Some have been intelligently managed. Some have not. It has been the custom to take over large tracts and split them up. Sometimes the company improves the land for intending settlers. Sometimes it leaves all to the settler.

One of the big corporations in the agricultural field is the Jantira Plantation Company of Pittsburgh. It owns a lot of property south of Vera Cruz and has gone in for the growing of bananas, pineapples, oranges, lemons and grapefruit.

The Yaqui Land and Water Company, a \$15,000,000 corporation, in which John Hays Hammond, Harry Payne Whitney and W. M. Richardson are heavily interested, has 600,000 acres in the Yaqui Valley in Sonora, 400,000 of which are irrigable and 200,000 suited for pasturage. This company has 200 miles of canals and water rights in perpetuity.

The New York Mexican Land Company, of which Dr. Barrios of Westfield, N. Y., is the leading spirit, has large holdings in the Gulf coast country. Cotton is grown in Chihuahua, Coahuila, Nuevo Leon, Tamaulipas, Durango, Zacatecas and San Luis Potosi. The Mexican cotton is of good length and strength, but has not the silkiness nor is it so clean as the cotton grown in the United States. There are more than 100 cotton mills in Mexico, some owned by Americans, but they are not large.

The forests of Mexico have interested Americans. The International Lumber and Development Company, a Philadelphia concern, of which W. H. Armstrong is president and in which the Du Ponts of Delaware have put a lot of money, has 288,000 acres of fertile land in the State of Campeche on which there are millions of mahogany, cedar, logwood and other trees. There is a great rubber plantation too. The company owns thirty miles of railroad, an extensive telephone system and an ocean steamship. Its capital is \$6,000,000.

Some day the United States will have to draw heavily on Mexico for lumber. Mexico can stand it. In the States of Chihuahua, Durango, Jalisco, Michoacan and Guerrero there are 25,000,000 acres of virgin forest containing oak in abundance, three kinds of pine—white, sugar and a little yellow—and twenty-five varieties of the hardwoods of the semi-tropical countries.

No wonder with its thousands of mines, its hundreds of millions of acres of rich lands, its treasure house only partly opened, Mexico has had a potent influence in attracting the American dollar.

## New Hampshire Ready to Pay Tardy Honors to Daniel Webster

THE spirit of patriotism and respect for the things of the olden time having to do with our country's history is finding expression in the preservation of national landmarks. Historical organizations are restoring many of these neglected landmarks with the intention of preserving them as object lessons to future generations.

The birthplaces of some of the most distinguished men of the country's history have been hitherto neglected. This has been true of Daniel Webster. His native state of New Hampshire has in recent years become alive to the fact that it has had no more gifted son than the dark eyed, swarthy skinned boy whose father, Ebenzer Webster, was also a worthy son of the old Granite State. The Webster name has been associated with New Hampshire history ever since the year 1634, when Thomas Webster became a resident of New Hampshire. His descendants helped to people the State and many of them fought for it in the days when there was desperate need of such service. None fought more fearlessly or with more telling effect than Ebenzer Webster, who was one of "Rogers' Rangers," against whom few fighters could stand. In times of war and peace the father of Daniel Webster was a man of consequence, and he transmitted much of his fighting quality to his son Daniel.

Daniel Webster was born in what is now Franklin in New Hampshire, the ninth of his father's family of ten children. The house in which he was born on January 18, 1757, was the second in which his father had lived after his marriage, the first being a log cabin to which he took his first wife when he was 24 years old. Five of the children of Ebenzer Webster were born in this primitive home. When his wife died Ebenzer Webster married Abigail Eastman and built the more pretentious but simple little house of four or five rooms in which the boy Daniel was born.

The house was moved from its original foundation years ago, and when the plan of preserving it as a State landmark was formulated there was a good deal of conjecture as to where it stood originally. Some workers on the farm discovered what was without question the original foundation, for it exactly fitted the part of the house that had been removed and was still standing. The uncovered foundation also showed the exact size of the entire structure, and there were in existence some good sketches of the house known to have been pronounced accurate by Webster, so that it is certain that the house at which appropriate ceremonies are to take place on August 28 is an exact reproduction of the original house, and fully three-fifths of the original house stands on the old foundation, including the room in which Webster was born.

The work of restoring the old house has gone forward rather slowly, as it is now three years since the Daniel Webster Birthplace Association was formed with William E. Chandler of Concord as president. Other prominent men interested in the project are C. E. Carr, Jacob H. Gallinger, A. W. Sullivan, Warren F. Daniell, Dr. John W. Staples, J. R. Eastman and F. G. Webster. The State Legislature of New Hampshire made an appropriation of \$1,500 for the furtherance of the work and other funds were obtained by private subscription. It is proposed to raise a sum of \$20,000 as an endowment fund that the house may be kept in good condition.

It is expected that President Wilson will attend the ceremonies on August 28. He has given a tentative promise to do so. Should he be at the summer White House in Cornish at the time he will not doubt attend the celebration. The old Webster house has all of the characteristics of a farmhouse of the early days. There is a fireplace "as is a fireplace." Possibly there was an old, high backed settle to place before it in the days when Webster was a baby.

He was never anything but a baby in the house, for when he was about a year old his father moved to Elms on the banks of the Merrimack, but the little house in which he was born always had a warm place in the affections of Daniel Webster. He often

visited Franklin in the days of his manhood and there are in the city men who have a very clear recollection of seeing and hearing Webster when he was there. One of these old men has this tale to tell of Webster, illustrating the well known fact that Webster did not look with disfavor on the ruddy juice of the grape. Webster asked this man, then a lad in his teens, to go fishing with him.

"Before we had been fishing very long," he says, "Webster extracted from

his basket a bottle of brandy, took a copious draught himself and then asked me if I ever drank. I told him 'No,' and he said, 'That's right, my boy, and don't you ever begin.' After a second drink he asked me the same question and I gave him the same answer.

He was glad of the chance to set off for Exeter Academy on horseback with his father when he was a little chap of about 13 years. When it came to taking the entrance "exams" the boy was admitted as soon as his examiner heard him read a dramatic selection from the Bible. Thus early in life did his remarkable oratorical power reveal itself. It was a power that developed with his years until when he was in his prime the orator who could equal him was hard to discover.

One of the stories illustrating the generosity of his spirit is that of the way in which he helped his brother Ezekiel, older than himself, to obtain an education. After having been graduated from Dartmouth and while he was reading law there came a time when Ezekiel, who was then at Dartmouth, must have money or give up his chance for an education and return home. Webster bade good-by to his law studies and went to Exeter, in Maine, and obtained a position to teach in the academy at \$350 a year. This was munificence compared to anything he had ever known, but he worked hard at copying deeds during his hours of leisure that he might send Ezekiel every cent of his salary.

His native State of New Hampshire will accord Daniel Webster on August 28 much of the honor it should have given him when he was living, for few of its sons have attained higher distinction from a depth of poverty that would have discouraged and defeated a less courageous and forceful man.



Daniel Webster's birthplace, Franklin, N. H.